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## **REMARKS**

Claim 14 has been amended to recite that the grain prices used in the calculation of the blend are from a source that identifies the current grain price on a product whose price fluctuates based at least in part on market conditions. This amendment merely highlights that the present invention does not relate to static data, but rather relates to the management of constantly changing conditions and employs a method and system for managing production based on those changing conditions. Antecedent basis for this amendment is located throughout the specification, such as in claim 12.

Claims 14-21 have been rejected under 35 U.S.C. 102(e) as being anticipated by Haefner et al. (US 6,532,420).

The claims under this rejection are drawn to a system for controlling grain mixing wherein the system is coupled over a data network to a source of current grain prices, and where the system receives information relating to currently prevailing grain cost. The system includes a blend processor which, based on desired mix and source bin designations and the currently prevailing grain cost, calculates a blend cost and compares said blend cost with a model cost, the blend processor generating a blend mix output that specifies the amount of each of plural grain lots to mix in order to achieve said desired mix; and a mass storage device operatively coupled to said blend processor, the mass storage device storing historical data concerning previous blends.

Haeffner relates to a process for evaluation of an existing feedstuff to determine whether it needs supplementation, and whether the existing foodstuff can be economically enhanced to satisfy the desired nutritional profile as compared to the cost of existing competing feedstuff. This patent fails to disclose or suggest consideration of anything but static cost data for any ingredient. More specifically, the Haeffner disclosure at least fails to disclose the claimed element of having a system that is coupled over a data network to a source of current grain prices. Thus, Haeffner does not anticipate the present claims.

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Claims 12-21 have been rejected under 35 U.S.C. 103(a) as being unpatentable over Haefner et al. in view of Kimle et al. (US 2005/0004809 A1).

The present invention provides a method and a system for producing a blend output for use by a manufacturer to blend component ingredients to form a blended product. This method comprises first downloading, over a network, time-sensitive data representing the current cost of at least one material whose price fluctuates based at least in part on market conditions. This downloaded current cost information is used to calculate an actual cost of blending said product, and the difference between the actual blend cost and a model blend cost is automatically calculated. A blend output to form a blended product based at least in part on the calculation is then formulated. The methodology of the present invention is an abrupt departure from conventional cost analysis, which keeps track of the price already paid for the inventory unit being used in a formulation (i.e. in a static manner), rather than incorporating new and projected costs of ingredients to be used in a blended product. See paragraph 0012 of the present specification. Thus, the present claims are drawn to a method and system that determines whether to execute time sensitive purchases for a specific formula blend based on network monitoring of time sensitive data, and formulating new recipes based on the cost of a price fluctuating component. The method and system provided by the present invention provides significant advantages, such as listed in paragraph 0019 of the present specification.

As discussed above, Haeffner relates to a process for evaluation of an existing feedstuff to determine whether it needs supplementation, and whether the existing foodstuff can be economically enhanced to satisfy the desired nutritional profile based on static cost information as compared to the cost of existing feedstuff. This patent fails to disclose or suggest consideration of anything but static cost data for any ingredient. Haeffner provides no teaching or suggestion relative to reformulation of a blend output in response to the fluctuating price of at least one component, where the price is monitored by a data network to provide current cost information.

Kimle discloses a method of facilitating the contracting of agricultural products using the Internet, wherein buyers and sellers are provided with real time information relating to the type and amount of agricultural products available for contract. The

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system is essentially a listing service of products desired, so that buyers and sellers can identify in real time the quantity and types of agricultural products under contract and available for contract. The system can manage delivery preferences, quality data and determine contract pricing based on these criteria. See the abstract. Thus, Kimle is focused on facilitating transmitting information for enabling contracts of purchase, and has no relation or suggestion regarding modification of end use products in response to the fluctuating price of at least one component, where the price is monitored by a data network to provide current cost information.

It is respectfully submitted that the combination of Haeffner with Kimle falls short of the present claims. Specifically, if one were to combine Haeffner with Kimle, at best one would have a system where the purchase of agricultural products was facilitated by a Kimle-type system. The price of the commodity purchase using the Kimle system would then be used as the static input of the price paid for that product using a Haeffner-type feedstuff supplementation system. The skilled artisan would have had no motivation from these references even in combination to generate a blend output based on currently prevailing costs of ingredients from a fluctuating price based at least in part on market conditions.

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## **CONCLUSION**

In view of the amendments and remarks provided herein, Applicants respectfully submit that all of the pending claims are in condition for allowance, and respectfully request notification thereof. In the event that a phone conference between the Examiner and the Applicants' undersigned attorney would help resolve any remaining issues in the application, the Examiner is invited to contact the attorney at (651) 275-9811.

Dated: November 302005

Respectfully Submitted,

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